

ALLIED CHEMICAL CORPORATION

MEMORANDUM

June 11, 1974

TO: FILE

SUBJECT: RECLAIMING METHANOL  
SCIENTIFIC CHEMICAL PROCESSING, INC.

Herb Case and Leif Sigmund, representing Scientific Chemical, came in to see E. J. Etchells and myself re increase in price of reclaimed methanol (\$.20 - \$.25/gal., effective 8/1/74), and removal of phosphoric acid clause from existing contract.

They contended that their maintenance, labor, and energy costs have risen substantially thereby justifying said price increase, and that this increase will be the first one passed along to Allied during the last 8 years. Stated that Allied has also reduced the amount of waste material available to them thereby creating idle plant capacity on their part. They will supply us with first 5 months takeage - 1974 vs. 1973.

Stated our phosphoric acid that is recaptured from waste material is too red in color and could not be filtered out. This being the case, they were limited in their marketing of it and were not profiting over and above contract dollar amount to recompensate Allied. They have not in the last 6 months, and do not wish to in the future, report to Haledon phosphoric gallonage.

They noted they have storage and trailer storage facilities which could be made available to Allied if needed.

Advised George Ricks (Haledon) of meeting. George wants to continue to be serviced by Scientific Chemical and is willing to pay per gallon price increase. He feels he has increased the waste material made available to Scientific and will submit to me his 1974 vs 1973 takeage (January - May).

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Sigmund learned that our Elizabeth plant was dumping out at sea a large volume of hydrochloric acid waste material, and that they showed interest in its possible reclaiming. Told him I would check it out and advise. Was told by Elizabeth plant that they are dumping approximately 20 million gallons a year of waste material out at sea. Fred Karasek (Elizabeth) suggested I contact Bud Holloway, ICD Sales in Saddle Brook for follow up. Fred was willing to consider Scientific's offer.